

Quarterly update

June 2018

Financial information is shown as at 31 March 2018



DEAR SHAREHOLDER,

We are pleased to provide shareholders with an update on our business operations since our 31 December 2017 interim balance date.

We have continued to advance our development programme while also achieving good levels of leasing across our investment assets.

CAPITAL TRANSACTIONS

In April, Precinct announced progress on the sale process for a 50% interest in ANZ Centre in Auckland and an agreement to sell 10 Brandon Street in Wellington for \$10.2 million.

The half share interest in the ANZ Centre has received very strong interest. Precinct has agreed to a period of exclusivity for one party to complete due diligence and enter into a binding sale and purchase agreement. At this stage there is no binding agreement for the sale and purchase of the property.

With several options for 10 Brandon Street having been assessed to date, we believe the sale of this asset represents the best option for Precinct. The sale of 10 Brandon Street is conditional on ground lessor approvals and is due to settle in August 2018.

Progressing these asset sales will enable Precinct to focus on and recycle capital into its future development opportunities.

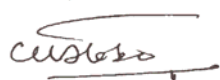
During the quarter, Precinct also settled the purchase of Queen Elizabeth Square in Auckland for \$27.2 million.

OUTLOOK

Full year operating earnings after tax for the 2018 financial year are expected to be around 6.30 cents per share, before performance fees. Dividend guidance also remains unchanged at 5.80 cents per share, representing a 3.6% increase in dividends to shareholders.

Our 2018 year end results announcement will be on the 16th of August where the Board will provide 2019 earnings and dividend guidance.

Yours faithfully,



Craig Stobo, Chairman

DIVIDEND

Payment date	8 June 2018
Excluded dividend per share	1.2679 cents per share (cps)
Fully imputed dividend per share	0.1821 cps
Cash dividend per share	1.45 cps
Imputation credits	0.0708 cps

INDICATIVE DIVIDEND PAYMENT DATES

	Proposed
4th Quarter 2018 financial year	28 Sept 2018
1st Quarter 2019 financial year	7 Dec 2018

These dates represent the current expectation of Precinct(PCT) as at the date of publication, are subject to PCT board approval, may change without notice and are not a guarantee or warranty as to the payment of a dividend or the actual payment dates.

FINANCIAL SUMMARY

as at 31.03.2018

Year to date (Unaudited)

Dividends declared	4.35 cps
Full year forecast operating earnings per share (before performance fees)	6.30 cps
Full year forecast dividend per share	5.80 cps

Balance sheet	Unaudited 31 March 18	Audited 30 June 17
Total assets	\$2,264.1 m	\$2,079.2 m
Net equity	\$1,485.1 m	\$1,505.6 m
Number of shares on issue	1,211.1 m	1,211.1 m
Net tangible assets per share	\$1.23	\$1.24
Bank covenant gearing (%)	25.5%	25.1%

SHAREHOLDER RETURNS

Total gross return	Precinct (NZX: PCT)	Listed Property
March quarter	(4.8)%	(3.8)%

Returns are based on close price, and assume reinvestment of dividend (returns exclude imputation credits). Listed property is the S&P/NZX All Real Estate Gross index. Source IRESS

PRECINCT KEY METRICS (31.03.18)

\$2.3bn

Portfolio value

98%

Overall occupancy

8.8years

Weighted average lease term

\$1.6bn

Market cap

6.2%

Weighted average cap rate

72%

Weighting to Auckland (by value)

DEVELOPMENT UPDATE

COMMERCIAL BAY

With 39,000 square metres of office and 18,000 square metres of retail, Commercial Bay will be Auckland's largest mixed use development.

Strong retail leasing has been achieved since 31 December 2017 and we have continued to secure a number of additional key retailers who will define our unique retail mix at Commercial Bay.

In March of this year, Precinct welcomed its first wave of fashion store clients, bringing together a carefully curated mix of established local favourites and first-to-market global brands.

Furla, Superette, Hershel Supply Co, and a Rodd & Gunn bespoke Lodge Bar and fashion concept will all be landmark stores at Commercial Bay in 2019.

Precinct believe these retailers will complement the already world class food and beverage offering that has been secured.

As outlined in our FY18 interim results, construction is advancing and we continue to closely monitor progress on site.

Precinct continues to forecast a profit on cost of over \$200 million and a yield on cost of 7.5% once the development is complete.

We expect to provide a more detailed update on the contractors programme in our full year results in August.

We encourage you to visit: www.commercialbay.co.nz

Here you can view the latest news, videos and construction updates on this project.



WYNYARD QUARTER

During the quarter, we are delighted to welcome Amazon Web Services (AWS) as clients to our portfolio within the Innovation Precinct.

Following its arrival into the New Zealand market, AWS has committed to space within the Mason Brothers building. AWS is a renowned global technology business and is a subsidiary of Amazon.com that provides on-demand cloud computing platforms to individuals, companies and governments.

BOWEN CAMPUS

Construction works have continued to progress well during the quarter with the façade installation at Charles Fergusson Tower now complete.

Bowen Campus remains on programme and on budget.

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Please contact our registrar, Computershare

- To change investment details such as name, postal address or method of payment, and
- For questions on your dividend and shareholding

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If you have any questions please feel free to email us at hello@precinct.co.nz